



**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF TUCSON, ARIZONA
STRATEGIC PLANNING COMMITTEE**

Friday, August 9, 2019

3:00 p.m.

at the offices of
UDALL Law Firm, LLP
4801 E. Broadway Boulevard, Suite 400
Tucson, Arizona 85711

Minutes

Present: Board Members Neal Eckel
Mimi Petro
Meredith Aronson

Advisors Karen Valdez, BDFC Advisor Services, LLC
Gabriel Gomez, BDFC Advisor Services, LLC

Guests Barbra Coffee, City of Tucson

The Strategic Planning Committee of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on Friday, August 9, 2019, at the office of UDALL Law Firm, LLP, 4801 E. Broadway Boulevard, Tucson, AZ 85711. All Authority’s Committee Members and the general public were duly notified of the meeting.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order	The meeting was called to order at 3:00 p.m.
2. Introduction and purpose of the Committee. N. Eckel reviewed items discussed at the Authority’s May 23, 2019 Special Meeting which resulted in the following potential short term and long term goals of the Authority: Short term - <ul style="list-style-type: none">• Finance emergency small business loans• Increase loans for single family housing• Finance emergency consumer loans• Provide loans to tenants Long term – <ul style="list-style-type: none">• Promote economic development and issuance of Bonds• Participate in financing overlay projects	No action taken
3. Discussion and request for recommendation to the Authority’s Board of Directors related to investment of the Authority’s funds, potentially including: <ul style="list-style-type: none">a. Increasing the amount of funds available for loans,b. Investments in small businesses,c. Investments within development corridors in conjunction with the City of Tucson,d. Acquisition of real property for investment or development, and	No action taken

Approved 11/4/2019

e. Development of current property.

N. Eckel reviewed possible areas of focus for the Authority including the following:

- Emergency consumer loans, for individuals and families, to provide assistance as an alternative to predatory loans and the possibility of partnering with another nonprofit to address the public record requirement.

N. Eckel will investigate further and inquire whether any nonprofits are currently doing these type of loans.

M. Petro asked if there is any Financial literacy for homebuyers. K. Valdez stated that the required homebuyer education, for participation in the down payment assistance (“DPA”) programs is handled by local Housing Counseling Agencies or through HUD approved on-line courses. It was also noted that there have been nonprofit organizations who have offered financial literacy courses however, it is unknown if they are currently being offered.

Possible partnerships with: Pima IDA, Community Investment Corporation, etc.

- Emergency short-term loans to small business:
 - a. Seasonal gaps
 - b. Emergency repairs: sprinklers, ramps – ADA compliance, etc.

Discussion ensued regarding Growth Partners Arizona who is currently revising their loan programs to include for profit business loans that will include emergency gap financing and term loans.

It was noted that the Loan Review Committee may be better suited to construct loan program guidelines, terms and conditions.

Discussion ensued regarding investments within development corridors in conjunction with the City of Tucson:

- M. Petro’s observation driving down Stone and First Avenue: there are buildings in need of façade work.
- B. Coffee stated there is a proposal to launch a façade matching grant program. The City of Tucson Economic Development office is drafting program guidelines that would utilize a small pool of funds from the Community Development Block Grant (“CDBG”) allocation. Corridor programs that have had some planning efforts will be identified and as a revitalization strategy, the COT is looking to roll the façade program out by the end of the year. The CDBG funding will limit the program to having the low-to-mod eligibility piece; but if the pool were increased using other sources, more could be done and could aid in outreach to those commercial corridors that don’t fit; there are a lot of aging and declining properties that could use fresh paint, new signs, some lighting, and landscaping. These are small grants with a dollar-for-dollar matching component.
- M. Aronson stated that the piece that continues to be missing is there are lots of good intents and desire to help process, but not a lot of coordination across support organizations. How do we find the gap that we could be most helpful in without overlapping with places where there are funds coming from other sources?
- M. Aronson questioned: “what’s keeping owners and potential owners of businesses or facilities in those overlay zones from taking the next step?” If the Authority could figure out a little more about that then we could potentially talk about crafting a program.
- B. Coffee would like a one page info sheet on programs offered by the Authority to be used to promote the programs as another tool in the tool box.

Programs offered by the Authority: **1)** two **(2)** single family down payment assistance programs, **2)** first time homebuyer tax credit program, **3)** community loan program **\$35,000 to \$500,000**, and **4)** conduit issuer of taxable and tax-exempt revenue bonds.

<ul style="list-style-type: none"> Information slides, as needed, can be prepared for B. Coffee and the COT Economic Development team who could then share the information in their presentations as additional tools available. It was noted that Chuck Lotzar, Lotzar Law Firm, PC, has been reviewing and providing info when needed. 	
<p>4. Review and discuss organizational structure and staffing of the Authority and request for recommendation to the Authority's Board of Directors related to future needs.</p> <p>Organization structure and staffing discussion:</p> <ul style="list-style-type: none"> Business Development Finance Corporation ("BDFC") – the Agreement between the Authority and BDFC has a section that allows BDFC, with prior approval of the Authority, to work with and contract (as subcontractors, contractors, employees, consultants, or otherwise) with third parties in connection with rendering services under the Agreement. The Authority needs someone to create strategy, to develop a leveraged and scaled impact in the community, and to provide capacity for deal-making. The Authority's funds should be leveraged and scaled in order to have an impact in this community. How can the Authority go from \$4,000,000 to \$40,000,000? It would require: 1) someone to lead the Authority, 2) a defined strategy, 3) leverage current funds, etc. Possible Consultant: National Development Council ("NDC") has staff across the US who have a lot of experience structuring deals. NDC has served as a Consultant to the COT and BDFC. B. Coffee will provide contact info. 	No action taken
<p>5. Discuss relationships with various vendors, banks or lenders and request for recommendation to the Authority's Board of Directors related to:</p> <p style="padding-left: 40px;"> a. Increasing the amount of business directed to the Authority, and b. Marketing strategies to generate more loans and increase the Authority's visibility in the marketplace. </p> <p>K. Valdez provided status regarding marketing of the Single Family Programs. It was noted that as the programs are offered as a joint program between the Tucson IDA and the Pima IDA, the marketing is also joint.</p> <p style="padding-left: 40px;"> a. Lender appreciation events: 12/13/2018 was the first event and another will be planned after the P2P Program b. There is a core group of actively participating loan officers who will be listed, with a photo and contact info, on the Authority's website which is currently under construction in the website Phase 2 </p>	No action taken
<p>6. Call to the Public: This is the time for the public to comment. Members of the Committee and the Authority's Board of Directors may not discuss items that are not specifically identified on the Agenda. Therefore, pursuant to Arizona Revised Statutes Section 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.</p>	No action taken.
7. Adjourn	Meeting Adjourned at 4:15 p.m.

Submitted by:

Approved by:

Karen J. Valdez
BDFC Advisor Services, LLC

Neal Eckel, Chair of the Strategic Planning Committee
The Industrial Development Authority of the
City of Tucson, Arizona

Approved 11/4/2019